



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-174]

Certain Brake Drums from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that certain brake drums from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is October 1, 2023, through March 31, 2024. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Samuel Frost, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-8180.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation in the *Federal Register* on July 17, 2024.¹ On July 22, 2024, Commerce tolled certain deadlines in this administrative proceeding by seven days.² On November 20, 2024,

¹ See *Certain Brake Drums from the People's Republic of China and the Republic of Türkiye: Initiation of Less-Than-Fair-Value Investigations*, 89 FR 58116 (July 17, 2024) (*Initiation Notice*).

² See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings," dated July 22, 2024.

Commerce postponed the preliminary determination of this investigation until January 23, 2025.³

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.⁴ A list of topics included in the Preliminary Decision Memorandum is included as appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Investigation

The products covered by this investigation are brake drums from China. For a complete description of the scope of this investigation, *see* appendix I.

Scope Comments

In accordance with the *Preamble* to Commerce's regulations,⁵ in the *Initiation Notice*, Commerce set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁶ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the record for this investigation, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.⁷ As discussed in the Preliminary Scope Decision Memorandum, Commerce preliminarily modified the scope language as it appeared in the *Initiation Notice*. In the Preliminary Scope Decision

³ *See Certain Brake Drums from the Republic of Türkiye and the People's Republic of China: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 89 FR 91675 (November 20, 2024).

⁴ *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Certain Brake Drums from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁵ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁶ *See Initiation Notice*, 89 FR at 58117.

⁷ *See* Memorandum, "Antidumping Duty Investigations and Countervailing Duty Investigations of Certain Brake Drums from the People's Republic of China and the Republic of Türkiye: Preliminary Scope Decision Memorandum," dated concurrently with this preliminary determination (Preliminary Scope Decision Memorandum).

Memorandum, Commerce established the deadline for parties to submit scope case and rebuttal briefs.

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Commerce has calculated constructed export prices in accordance with section 772(b) of the Act. Because China is a non-market economy (NME), within the meaning of section 771(18) of the Act, Commerce has calculated normal value in accordance with section 773(c) of the Act. Furthermore, pursuant to sections 776(a) and (b) of the Act, Commerce preliminarily has relied upon facts otherwise available, with adverse inferences, for the China-wide entity. For a full description of the methodology underlying Commerce's preliminary determination, *see* the Preliminary Decision Memorandum.

Combination Rates

In the *Initiation Notice*,⁸ Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.⁹

Separate Rates

We have preliminarily granted a separate rate to certain companies that we did not select for individual examination.¹⁰ In calculating the rate for non-individually examined separate rate respondents in an NME LTFV investigation, Commerce normally looks to section 735(c)(5)(A) of the Act, which pertains to the calculation of the all-others rate in a market economy LTFV investigation, for guidance. Pursuant to section 735(c)(5)(A) of the Act, normally this rate shall be an amount equal to the weighted-average of the estimated weighted average dumping margins established for those companies individually examined, excluding zero and *de minimis* dumping

⁸ *See Initiation Notice*, 89 FR at 58120.

⁹ *See* Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's website at <https://enforcement.trade.gov/policy/bull05-1.pdf>.

¹⁰ *See* Preliminary Decision Memorandum.

margins, and any dumping margins based entirely under section 776 of the Act. Commerce calculated an individual estimated weighted-average dumping margin for Shandong ConMet Mechanical Co., Ltd. (Shandong ConMet) that is not zero, *de minimis*, or based entirely on facts otherwise available. Thus, the weighted-average dumping margin calculated for Shandong ConMet is the margin assigned to the non-examined, separate rate companies in this investigation. See the table below in the “Preliminary Determination” section of this notice.

Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist:

Producer	Exporter	Weighted-Average Dumping Margin (percent)	Cash Deposit Rate (Adjusted for Subsidy Offsets) (percent)
Shandong ConMet Mechanical Co., Ltd.	Shandong ConMet Mechanical Co., Ltd.	109.64	109.64
Liaoning Hechuang CV Parts MFG Co.	Liaoning Hechuang CV Parts MFG Co.	109.64	109.64
Hebei OE Auto Spare Parts Co., Ltd.	Ningbo Qingchen International Trade Co., Ltd.	109.64	109.64
Longyao County Yiheng Auto Parts Co., Ltd.	Qingdao Jasmine International Trade Co., Ltd	109.64	109.64
Shandong Lingang Nonferrous Metals Co., Ltd.	Qingdao Tordon Brake Co., Ltd.	109.64	109.64
Qiqihar Beimo Auto Parts Manufacturing Co., Ltd	Qiqihar Beimo Auto Parts Manufacturing Co., Ltd	109.64	109.64
Shandong Lingang Nonferrous Metals Co., Ltd.	Shandong Haoxin Co., Ltd.	109.64	109.64
Shandong Hongma Engineering Machinery Co., Ltd	Shandong Hongma Engineering Machinery Co., Ltd	109.64	109.64
Longyao Gucheng Automobile Parts Factory	Shandong North Autotech Co., Ltd	109.64	109.64
Shandong Longji Machinery Co., Ltd.	Shanghai Winsun Auto Parts Co., Ltd.	109.64	109.64
China-Wide Entity		160.79*	150.25

*This rate is based on facts available with adverse inferences.

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this preliminary determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b).

Consistent with 19 CFR 351.224(e), Commerce will analyze and, if appropriate, correct any timely allegations of significant ministerial errors by amending the preliminary determination. However, consistent with 19 CFR 351.224(d), Commerce will not consider incomplete allegations that do not address the significance standard under 19 CFR 351.224(g) following the preliminary determination. Instead, Commerce will address such allegations in the final determination together with issues raised in the case briefs or other written comments.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*, as discussed below. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the weighted average amount by which normal value exceeds U.S. price, as indicated in the chart above as follows: (1) for the producer/exporter combinations listed in the table above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of Chinese producers/exporters of merchandise under consideration that have not established eligibility for their own separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity; and (3) for all third-country exporters of merchandise under consideration not listed in the table above, the cash

deposit rate is the cash deposit rate applicable to the Chinese producer/exporter combination (or the China-wide entity) that supplied that third-country exporter.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of domestic subsidy pass-through and export subsidies determined in a companion countervailing duty (CVD) proceeding when CVD provisional measures are in effect. Accordingly, where Commerce has made a preliminary affirmative determination for domestic subsidy pass-through or export subsidies, Commerce has offset the calculated estimated weighted-average dumping margin by the appropriate rate(s). Any such adjusted rates may be found in the chart of estimated weighted-average dumping margins above.

Should provisional measures in the companion CVD investigation expire prior to the expiration of provisional measures in this LTFV investigation, Commerce will direct CBP to begin collecting cash deposits at a rate equal to the estimated weighted-average dumping margins calculated in this preliminary determination unadjusted for the export subsidies at the time the CVD provisional measures expire.

These suspension of liquidation instructions will remain in effect until further notice.

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify information relied upon in making its final determination.

Public Comment

Case briefs or other written non-scope-related comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation.¹¹ Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case

¹¹ Case and rebuttal briefs submitted in response to this preliminary determination should not include scope-related issues. See 19 CFR 351.309(c)(1)(i); see also 19 CFR 351.303 (for general filing requirements).

briefs.¹² Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.¹³

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their briefs that should be limited to five pages total, including footnotes. In this investigation, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁴ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final determination in this investigation. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁵

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until

¹² See 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

¹³ See 19 CFR 351.309(c)(2) and (d)(2)

¹⁴ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁵ See *APO and Service Final Rule*.

not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. Pursuant to 19 CFR 351.210(e)(2), Commerce requires that requests by respondents for postponement of a final antidumping determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

On December 11, 2024, pursuant to 19 CFR 351.210(e), Shandong ConMet requested that, in the event of an affirmative preliminary determination, Commerce postpone the final determination and that provisional measures be extended to a period not to exceed six months.¹⁶ In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because: (1) the preliminary determination is affirmative; (2) the requesting exporter accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, Commerce will make its final determination no later than 135 days after the date of publication of this preliminary determination.

U.S. International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the U.S. International Trade Commission (ITC) of its preliminary determination of sales at LTFV. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of the subject merchandise are materially injuring, or threaten material injury to, the U.S. industry.

¹⁶ See Shandong ConMet's Letter, "Request for Postponement of Final Determination and Extension of Provisional Measures," dated December 11, 2024.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: January 23, 2025.

Abdelali Elouaradia,
Acting Assistant Secretary
for Enforcement and Compliance

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is certain brake drums made of gray cast iron, whether finished or unfinished, with an actual or nominal inside diameter of 14.75 inches or more but not over 16.6 inches, weighing more than 50 pounds. Unfinished brake drums are those which have undergone some turning or machining but are not ready for installation. Subject brake drums are included within the scope whether imported individually or with non-subject merchandise (for example, a hub), whether assembled or unassembled, or if joined with non-subject merchandise. When a subject drum is imported together with non-subject merchandise, such as, but not limited to, a drum-hub assembly, only the subject drum is covered by the scope.

Subject merchandise also includes finished and unfinished brake drums that are further processed in a third country or in the United States, including, but not limited to, assembly or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the subject brake drums. The inclusion, attachment, joining, or assembly of non-subject merchandise with subject drums either in the country of manufacture of the subject drum or in a third country does not remove the subject drum from the scope. Specifically excluded is merchandise covered by the scope of the antidumping and countervailing duty orders on certain chassis and subassemblies thereof from the People's Republic of China. *See Certain Chassis and Subassemblies Thereof from the People's Republic of China: Antidumping Duty Order*, 86 FR 36093 (July 8, 2021) and *Certain Chassis and Subassemblies Thereof from the People's Republic of China: Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination*, 86 FR 24844 (May 10, 2021).

The scope also excludes composite brake drums that contain more than 38 percent steel by weight.

The merchandise covered by this investigation is classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 8708.30.5020. The merchandise covered by this investigation may be classifiable under HTSUS subheading 8708.30.5090 when entered as part of an assembly. Subject merchandise may also enter under HTSUS subheading 8716.90.5060. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by this investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Discussion of the Methodology
- V. Adjustment Under Section 777A(F) of the Act
- VI. Adjustment to Cash Deposit Rate for Export Subsidies
- VII. Currency Conversion
- VIII. Recommendation

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